

## INSTRUCTIONS FOR CALIFORNIA ESTATE TAX RETURN

### GENERAL INFORMATION:

This return must be filed for the estate of every decedent with property in California whose date of death is on or after June 8, 1982, if a Federal Estate Tax Return (IRS Form 706) is required to be filed.

This return must be filed by the personal representative of the estate. "Personal representative" means the personal representative of the decedent or, if there is no personal representative appointed, qualified, and acting within California, any person who is in actual or constructive possession of any property included in the gross estate of the decedent.

**DUE DATE:** The return is due and any tax liability is payable on or before nine (9) months from the date of death.

A copy of the Federal Estate Tax Return and any approved extensions must be filed with this return.

If an amended Federal Estate Tax Return is filed, an amended California Estate Tax Return must immediately be filed, together with a copy of the amended Federal Estate Tax Return and payment of any additional tax plus interest.

Written notice of final determination of a Federal Estate Tax that contains any adjustments must be given to the State Controller within 60 days of the determination, together with payment of any additional tax plus interest.

### SPECIFIC INSTRUCTIONS:

Line 1--For dates of death prior to January 1, 2002, the credit for state death taxes is shown on line 15, Form 706. For dates of death beginning January 1, 2002, the state death tax credit is shown on line 13, Form 706. (Revision date August 2002)

Line 2(a)--Include items of California property from IRS Form 706. Attach a listing of each item and identify the schedule and item number.

"Property located in California" of a California resident includes: real property located in California; tangible personal property having an actual situs in California; and all intangible personal property, wherever the notes, bonds, stock certificates or other evidence, if any, of the ownership of the intangible personal property may be physically located or wherever the banks or other debtors of the decedent may be located or domiciled.

"Property located in California" of a non-resident of California who is a resident of the United States includes real property located in California and tangible personal property having an actual situs in California.

"Property located in California" of a non-resident of the United States includes: real property located in California; tangible personal property having a situs in California; and all intangible personal property in California, including all stock of a corporation organized under the laws of California or that has its principal place of business or does a major part of its business in California, and all stock of a federal corporation or national bank that has its principal place of business or does the major part of its business in California, excluding, however, savings accounts in savings and loan associations operating under the authority of the Division of Savings and Loan or the Federal Home Loan Bank Board, and bank deposits, unless those deposits are held and used in connection with a business conducted or operated, in whole or in part, in California.

Line 4--A like extension to file will be granted if the Internal Revenue Service has granted an extension to file the federal estate tax return.

Line 5--An extension of time to file does not extend the payment due date and does not relieve the payment of interest. Unpaid tax accrues interest from the delinquent date of return to December 31, 1998, at 12% per annum. Subsequent to December 31, 1998, the unpaid tax bears interest at the federal rate for underpayment of tax provided in Section 6621(a)(2) of the Internal Revenue Code (the federal rate). Subsequent to December 31, 2000, the entire unpaid balance bears interest at the federal rate and is compounded daily. You may access the applicable rates on the SCO's Web site at <http://www.sco.ca.gov>.

Line 6--If a payment is insufficient to cover the total amount due, it will be applied first to interest due, then to penalties, and then to the tax. Subsequent to December 31, 2000, all payments made will be applied to the total unpaid balance due.

### PRIVACY NOTIFICATION

The Information Practices Act of 1977 (IPA), California Civil Code Section 1798, and the Federal Privacy Act (FPA), United States Code Sections 366-409, require the State Controller's Office (SCO) to provide the following information to individuals supplying personal or confidential information to this office.

The principal purpose for requesting Estate Tax Return information is to administer the Estate Tax Law of the State of California. This includes the determination and collection of the correct amount of tax.

The California Revenue and Taxation Code requires every individual liable for any tax imposed by the code to file an Estate Tax Return (return) according to the Estate Tax Rules and Regulations prescribed by the State Controller (§§ 13501 and 14103). Individuals filing Estate Tax Returns, statements, or other related documents are required to include their Social Security numbers to provide proper identification and to permit processing of the declarations.

Furnishing all the appropriate information requested on the return and any related data is mandatory. Failure to provide all or part of the requested information may result in the disallowance of claimed exemptions, exclusions, credits, deductions, or adjustments, resulting in increased tax liability, loss or delay in issuance of a refund for overpayment, interest charges on unpaid taxes, and other disadvantages to the taxpayer.

Information furnished on the return may be transferred to other governmental agencies as authorized by law [IPA §§ 1798.24 (e), (f) and (p) (i.e., the U.S. Internal Revenue Service and the State Franchise Tax Board)] and may be examined by other local, state and/or federal officials charged with the administration of any tax law.

For those individuals with outstanding tax liabilities, the total amount due may be disclosed to employers, financial institutions, and/or county agencies for the purpose of collecting the amount owed.

This will be the principal notification under the Information Practices Act and Executive Order No. B-22-76 (1977) concerning the solicitation of information in connection with any tax return or tax liability of an individual.

Individuals have the right to review their own records maintained by the State Controller's Office, Division of Collections, Bureau of Tax Administration.

Division of Collections  
Bureau of Tax Administration

P.O. Box 942850  
Sacramento, CA 94250-5880

Internet address: <http://www.sco.ca.gov>  
Telephone #: (916) 445-6321